

DEPARTMENT OF SOCIAL SERVICES MEDICAL ASSISTANCE (MEDICAID) UNIT AUDIT

CORRECTIVE ACTION PLAN

	RECOMMENDED ACTION	REPORT AUDIT NUMBER	IMPLEMENTATION STATUS
1	The department should assure that caseworkers are in compliance with the Medicaid Reference Guide for income verifications. DSS must find other methods to obtain necessary information and/or urge the state to upgrade its information-gathering systems. The department should also work with the state to pursue additional upgrades and modifications to ensure appropriate income verification, including the development of a computer program to assess eligibility.	1	The Director and Assistant Directors in the Medicaid Unit meet on a weekly basis to review eligibility and operational issues. Supervisory meetings are conducted by Assistant Directors with their supervisors to review and discuss eligibility issues. Individual unit supervisors meet with their staff to review issues. The New York State Electronic Eligibility Decision Support System is scheduled for implementation in late 2003, and is intended to ease the eligibility burden and standardize verification procedures among staff.
2	The county executive's Multi-Year Financial Plan provides for a consultant to be hired to establish a county Medicaid payment-review system. An initial investment of approximately \$500,000 will be required, with the anticipation of a possible four-year recovery of \$17 million. Given the amount of monies that could be recovered, we recommend that this initiative be considered as quickly as possible.	2	
3	The county should bring caseloads to acceptable risk-levels.	3	Since the release of the audit report, the Department has hired an additional 25 Social Welfare Examiners for the Medicaid Unit. These workers are presently in training that is scheduled to last six months. Once trained, these workers will be prepared to assume caseloads that should result in more manageable caseloads throughout the program.
4	Caseworkers should be provided with the necessary tools to do their jobs. The Medicaid Reference Guide should be available to every caseworker.	3	The Department is implementing a rollout of personal computers that is scheduled for completion in August 2003. This will result in the placement of a personal computer on each worker's desk. The Medicaid Reference Guide is now available online, and hard copies are available in all units.

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5	All caseworkers should have access to the Welfare Management System and a personal computer.	3	See response to item (4).
6	DSS management should identify the correct work locations for all 1,017 of its employees.	4	A function code certification is completed on an annual basis to ensure that all employees are coded and claimed correctly. The function code of the employee is what determines how the salary and fringe benefits are reimbursed
7	DSS management should ensure employees and salaries are correctly coded in the Nassau County reporting systems for both human resources and accounting (NIFS & NUHRS) and that state reimbursement claims are reconciled with those contained in the county's accounting systems.	4	Employees and salaries are correctly coded to the best of the Department's ability. When an employee is hired, they are coded into a control center, responsibility center and function code. When it becomes necessary to transfer an employee to a section of the Department that is in a different control center, we are unable to change the control center in NIFS & NUHRS. The responsibility center and function code are changed which causes some differences between the state reimbursement claims and the county's accounting system.
8	Job descriptions should be updated and old terminology removed. Changes in job functions between the titles, as done in Westchester, should be considered in an effort to more properly train and retain employees. Salary levels should be examined to attract qualified workers.	4	The Department is working with other local social service districts, the New York Public Welfare Association, and the New York State Civil Service Department to review and update job descriptions and design examinations more relevant to current job responsibilities.
9	Corrected organizational charts should be prepared. Once obtained from sub-units, they should be integrated into an accurate departmental structure with logical and compatible functional lines of authority.	4	Organizational charts have been updated.
10	The department must address the lack of proper controls regarding verification, documentation and investigation of residency issues. As part of the controls, it could develop a housing verification form similar to Suffolk County's (a copy of which was provided to the department) and perform home visits where necessary to verify residence.	5	The Department is utilizing the Shelter Verification form DSS-3668 developed by New York State. Cases are being referred to the Special Investigation Unit when documentation provided is questionable.
11	DSS should prepare a COBRA-continuation checklist to distribute to caseworkers that incorporates all the state administrative directives and guidelines and that would satisfy the requirements of a sufficient audit trail. This, at a minimum, should include:	6	The eligibility requirements and checklist for COBRA continuation as discussed in 91 ADM-53 have been distributed and reviewed with staff. Medicaid has requested from the BICS system a monthly list of health insurance payments to assist workers in monitoring.

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11	<ul style="list-style-type: none"> • Use of the HICAP computer to assist caseworkers in conducting cost-effective evaluations. • Modifying the Benefit Issuance Control System (BICS) reporting system by separating third-party health insurance payments into categories, so as to enable tracking and monitoring of the cost and participants. 		
12	<p>Securing proper documentation of claimants' medical health plan benefits (placed in the case folder as required by the directive).</p> <ul style="list-style-type: none"> • Obtaining health insurance-premium statements from prior employers' health insurance plans to verify that the billings do not exceed the 102% / 150% thresholds. • Reviewing claimants' medical and pharmacy bills for cost effectiveness for as long a period of time as possible when performing the evaluation and maintaining same in the file as required by the state. 	6	This is being done for COBRA continuation cases. 82 ADM-20 mandates that Medicaid recipients must keep or join group health care plans, and that Medicaid must allow this as a deduction or, if the recipient is below Medicaid income levels, pay the premium. Health insurance premium statements are required for COBRA continuation cases only, not for ordinary payment of premiums on regular Medicaid cases.
13	DSS procedures should include a requirement that all case folders be maintained and updated periodically to help ensure continued cost effectiveness and monitor any changes in circumstances.	6	This is being done annually at recertification, and wherever practicable.
14	Proper documentation of all spend-downs and pay-ins should be maintained for all monthly coverage granted.	7	Effective May 1, 2003, the Department established a separate Medicaid Unit to manage spend-down cases.
15	The collection and application of spend-down/pay-in monies should be kept separate from case- management responsibilities in a separate unit accountable for full collection.	7	See previous item
16	Refund requests should be in writing from the client and properly authorized and documented.	7	This is a component of the policies and procedures being developed for the spend-down unit.
17	Pay-in instructions should be clarified and updated.	7	This is a component of the policies and procedures being developed for the spend-down unit.
18	Controls should be developed to prevent premature enrollment in managed-care programs before eligibility has been fully determined, thus eliminating the possibility of monthly premium payments to managed care companies for clients who are no longer eligible.	8	As stated in the audit report, system controls exist to prevent enrollment in managed care unless a minimum six-month eligibility period has been established.

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19	The department should obtain access to data systems containing client information, matching and updating information on residency, death, and incarceration. Ideally, a state prison database should be automatically scanned for the Welfare Management System.	8	As stated in the audit report, the Department is reviewing our processes for computer matching of client information with the Correctional Center and other county departments.
20	<p>The department should address the state audit finding to recover excess income and resources of community spouses of long-term recipients. Experienced legal staff should be hired to initiate appropriate court actions and initiate recommended procedures including:</p> <ul style="list-style-type: none"> • Centralizing this responsibility in one unit. • Developing a methodology to negotiate agreements. • Preparing district forms for use by eligibility staff for proper documentation of the refusal to support. • Prioritizing cases. • Generating a computerized (legal) notification to spouse. 	9	As stated in the audit report, the Department has hired attorneys to initiate recoveries of excess income and resources in spousal refusal cases. Cases have been prioritized and are pursued according to excess income and resource amounts.
21	Although the state has been critical of the county with respect to this issue, the county only receives 10 percent of the recoveries on these cases and has little incentive to devote county resources. The administration should request that our state legislators consider drafting legislation that would require the state to assume this function. The state receives 40 percent of the benefits, while incurring none of the costs associated with these cases.	9	
22	The department should hire an attorney to oversee the fair-hearing process, represent the county when needed at hearings and provide legal counsel regarding all Medicaid-eligibility issues.	10	As stated in the audit report, with the additional legal staff hired by the Department, eligibility workers now have access to appropriate counsel regarding hearing/eligibility issues.

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23	The department should perform a review of the withdrawals made in the previously mentioned test-period to determine if procedures can be improved.	10	Initial results of a review conducted by the Department showed a large number of withdrawals were the result of duplicate applications submitted by facilitated enrollers for the Child Health Plus and Family Health Plus programs. Additionally, many applications from these sources were submitted on behalf of individuals who were already in receipt of Medicaid, but wished to add an individual to their case. Staff has discussed the issue with the facilitated enrollers and is working with them to alleviate the problem.
24	The department should raise questions in cases in which there's an appearance of unreasonableness in the granting of postponements.	10	The Department has initiated discussions with the New York State Office of Administrative Hearings to develop a process for a case specific review of such situations.
25	A legal professional should review this unit to determine the most efficient way to recover monies. This review should include computer access to the records in both the county clerk's office and the surrogate's court for obtaining information on judgments, mortgages and the filing of liens.	11	As stated in the audit report, legal staff is available to consult with Resource and Recovery staff regarding pursuit of recoveries. Formal requests are being submitted to the Office of the County Clerk and Surrogate's Court to develop the appropriate linkages to obtain data.
26	The department should address the account section's deposit process to ensure the timely deposit of cash receipts, particularly the large deposits.	11	The deposits of various types of cash receipts are processed on a weekly basis. Upon receipt of authorization to deposit, the turnaround time for large amounts will be 1-2 days.
27	The department should instruct individuals to make checks out to "Nassau County DSS Cashier" or a particular unit, not to an individual employee.	11	As stated in the audit report, this is the Department policy.
28	The accounting-system database should be modified to allow for the purging of zero balances.	11	The accounting unit has requested that our systems department modify the software to permit the purging of zero balances.
29	The department should make the necessary improvements to bring the county into compliance with the New York State time frame regulations. Alleviating the high caseload will help caseworkers make accurate medical assistance determinations in a timely manner.	12	In addition to the actions discussed in the audit report, the Department has hired an additional 25 examiners for the Medicaid program since the end of May 2003. Once these workers complete training, they should have a positive impact on application processing. The Department has also trained eligibility workers from other sections to process the less complex Medicaid applications on a targeted overtime project.

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30	The antiquated Welfare Management System is an inadequate tool to exercise control over public funds flowing to the Medicaid program. This leaves localities in New York State out of compliance with government standards required to protect local resources. An electronic eligibility system is needed immediately. The administration should review these issues and urge our state legislators to propose legislation to lessen some of the Medicaid funding burden that currently falls on counties.	13	
31	The department should review its staffing requirements and ascertain the correct level to adequately perform the Medicaid function.	14	As previously stated, the Department has increased staffing in Medicaid in recent months. However, the recent loss of experienced workers have negated the short-term impact of the additional staff. Should staffing, applications, and caseload levels remain constant, it is anticipated that the current level of staffing should be adequate to manage the Medicaid program.
32	All employees should have Welfare Management System terminal access, a quiet work environment and the standard office equipment needed to perform their jobs -- such as photocopiers and computers.	14	The Department is in the midst of a rollout of 475 personal computers that is scheduled for completion by the end of August. This will result in each worker having a personal computer with Welfare Management System access on his or her desk. The Department has purchased and installed 10 additional fax machines in program areas throughout the agency. As stated in the audit report, the County Office of Printing and Graphics has implemented a scheduled replacement and upgrading of photocopiers, which will span a three-year period.
33	Standard inquiry responses should be put on an automated telephone response system.	14	The Department has met with the County Communications office regarding the purchase and installation of a call management system for the Medicaid and Temporary Assistance sections.